

XII. STATE TANF PROGRAM TRENDS

State Plan Trends

In order for States to remain eligible to receive their TANF grant, they must periodically submit TANF renewal plans to DHHS. The Secretary of DHHS is required to certify the plan to assure it includes all required elements listed in section 402 of the Act, including the State certifications specified under sections 402(a)(2)-(7). Only “eligible States” may receive a TANF block grant.

To determine whether the State's plan will enable the State to remain "eligible" for a fiscal year, one must count back 27 months from December of the next fiscal year. If the State has a State plan determined complete by the Secretary with an "effective date" within that 27-month period, it is an "eligible State" for that fiscal year. The effective date is the date given in the completion letter to the State announcing that it continues to qualify as an "eligible State." Put more simply, through section 402(a) of the Act, Congress gave every fiscal year a 27-month period. The 27-month period corresponding to Fiscal Year (FY) 2001, 2002, and 2003¹ are shown below.

FY 2001: October 1, 1998 through December 31, 2000

FY 2002: October 1, 1999 through December 31, 2001

FY 2003: October 1, 2000 through December 31, 2002

If the State's most recent effective date does not fall within the fiscal year's 27-month eligibility period, the State will no longer be an "eligible State." The State cannot continue to receive Federal TANF funds unless it submits a TANF plan by December 31st of the fiscal year that meets the requirements of section 402 of the Act.

Three States (Massachusetts, Vermont, and Wisconsin) had to renew eligibility status for FY 2002 no later than December 31, 2001 (refer to Table 13.1 in Chapter XIII). This is because their effective date of October 1, 1998, is not within the 27-month period for FY 2002. Michigan opted to renew its eligibility status before FY 2002 by submitting a complete TANF renewal plan with an effective date of October 1, 2000. The remaining States, which submitted completed plans on or after October 1, 1999, need to renew their eligibility status for FY 2003, no later December 31, 2002

During the period a TANF plan is in effect, States may submit plan amendments. Section 402(b) provides that States notify the Secretary within 30 days after a State TANF plan is amended.

¹ Assuming TANF is reauthorized and this provision remains the same.

State agencies have discretion on the format and description of the amendment and the consultations required. Examples of when such amendments should be prepared and submitted are: where there are new or revised Federal statutes or regulations; changes required by Federal or State court decisions; substantive changes in State law, organization, policy or operations; a correction of a mistake; and clarifications

The majority of States have submitted plan amendments. Most of those changes affect the types of services that States are financing with TANF funds. These changes (along with supplemental information on State policies and initiatives) show expansions of services and benefits for working families similar to those described in last year's Report to Congress. Some examples are listed below.

- **Supporting Families:** States continue to expand services to welfare families. Recognizing the need to address client barriers to employment, most States have developed services that assist clients experiencing domestic violence, substance abuse, mental illness, and disabilities. Individuals with barriers to employment may remain on State assistance longer or cycle on and off assistance more frequently than other welfare recipients.
- While States have focused considerable attention on caseload reduction over the past several years, they have also focused significant attention on preventing future dependency. States are providing a broad range of services such as child and youth development (including school dropout prevention), home visitation, family support, teen pregnancy prevention, responsible parenting programs, after-school care, and community-based youth services. Many States have also expanded emergency assistance to include kinship care, family preservation, foster care, and child welfare services. In addition, most States have limited categorical distinctions in providing benefits to two-parent families. Several States have increased services for family formation and stability, as well as services for incarcerated and previously incarcerated parents.
- **Promoting Success at Work:** Many States have increased eligibility levels for certain services up to 200% of poverty or even higher. Through a combination of State and Federal TANF funds, they are providing families with a range of services including expanded child care, housing assistance, and transportation. While families on welfare certainly require support services, many States have recognized that, to help promote increased job retention and a successful transition from welfare to work, States need to provide various types of non-cash support. As a result, States are developing a broader range of transitional assistance programs for former recipients, and some States are expanding support and transitional services to non-custodial parents

Some of the programs and services included in the State plans still reflect future plans, rather than fully developed programs and services, but most States are well under way in implementing their plan provisions. Specific examples are shown below.

- Many States have expanded eligibility for a wide range of supports -- such as child care, transportation, job search, and health coverage to those transitioning off welfare and into employment.

Georgia uses TANF funds to be used for transportation, post-employment, and expanded family support programs.

Pennsylvania provides specialized services to current and former TANF families with employment barriers to help them begin employment or to continue to work.

Connecticut uses TANF funding for non-medical substance or alcohol abuse services for families with a gross income at or below 75% of the State median income.

Minnesota uses TANF funding to enable county and Tribal TANF programs to better serve participants with significant barriers. The State is using TANF funds for home visiting. Families that meet TANF eligibility guidelines and have incomes below 200% of poverty are eligible for services.

Texas is testing a 12-month post-employment support stipend of \$200 a month for working families who have left the rolls.

- More States are supporting education, training, and tuition, often for the employed.

Michigan broadened eligibility for providing employment services to non-custodial parents.

New Mexico has a State-funded program to provide cash assistance to a TANF-eligible benefit group where there is at least one individual enrolled in a two- or four-year postsecondary degree program.

Pennsylvania uses TANF funds for job retention, advancement and rapid re-employment services and a place-based employment collaboration with public housing authorities.

- States have expanded services to address a variety of needs, including removal of barriers to work, emergencies, kinship care, family preservation and reunification, foster care, child welfare, domestic violence, and family formation and stability. Examples are listed below.

New York provides emergency assistance, foster care, preventive services, child protective services, and other services to meet the emergency needs of a child. The State provides support services for those up to 200% of poverty, including home energy assistance and child care.

New York allocated \$5 million in TANF funds to programs providing substance abuse treatment, family reunification and parenting skills, and employment assistance to ex-offenders with TANF-eligible children.

Pennsylvania provides family preservation, reunification and support services, adoption assistance, and services to dependent and delinquent children.

Many States, including Alaska, Arizona, Delaware, Georgia, Iowa, Louisiana, Massachusetts, Virginia, and Wyoming have broadened family support services. Services include: home visits to pregnant women and young parents, family preservation services, family support centers and services in schools and community centers, enhanced

kinship care services or payments to relatives who care for children, home visits to check on families who have left welfare, and parenting skills and child development education for parents. Other States have expanded funding for low-income families not receiving assistance.

- Some States are promoting marriage and father involvement as shown below.

At least 33 States have eliminated restrictions on two-parent families, such as the requirements under the previous Aid to Families with Dependent Children (AFDC) program that one parent be either incapacitated or unemployed.

A few States -- including Florida, Maryland, Minnesota, and Oklahoma -- reduce marriage license fees for couples who participate in premarital education or counseling.

Several States -- including Maine, Mississippi, New Jersey, North Dakota, Oklahoma, and Tennessee -- disregard the income of a step parent or new spouse for TANF purposes under certain conditions. Conversely, Oklahoma includes the income of both individuals in an unmarried, cohabiting couple.

West Virginia adds a flat \$100 payment to a family's monthly benefits if both parents are married, live in the household, and are named in the assistance check.

Many States use TANF, title IV-D child support, or State funds to support community-based activities to help fathers become more involved in their children's lives or strengthen relationships between mothers and fathers. Activities include education and employment services, parenting education, training in communication and conflict resolution, marriage education and family counseling, and other services.

The Partners for Fragile Families demonstration projects are local collaborations of community-based organizations, child support enforcement agencies, and faith-based partners to help young fathers become more involved with their children and to help mothers and fathers build stronger parenting partnerships.

A number of governors have made strong statements in support of marriage or convened a conference on marriage. A few States -- including Arizona, South Carolina, and Utah -- have established commissions on marriage. South Carolina's commission develops policies that support the institutions of marriage and the family. This Commission on Marriage and the Family will compare South Carolina policies that affect marriage and the family with policies in other States and will make recommendations for changes in South Carolina policy.

Oklahoma has dedicated \$10 million in TANF funds for Marriage Initiative programs and services, including relationship educational services for married and unmarried couples.

- Some States are providing early childhood and youth development services to prevent further dependency.

Massachusetts provides funding for teen parent prevention and teen pregnancy services and has expanded funding for child care and early childhood programs.

Connecticut provides child welfare prevention and intervention services, extended school hours, and grant funds to school districts to support at-risk youth. It operates the Leadership, Education, Athletics in Partnership (LEAP) Program, and supports neighborhood-based before- and after-school and mentoring programs, and neighborhood youth centers.

Michigan's Family Support Subsidy provides a grant for the special non-medical needs of disabled children, and its Adoption Support Subsidy provides payments to families of adoptive children with special needs who are not IV-E eligible.

- Many States provide their own cash coverage for certain cases who may be ineligible for TANF, such as two-parent families, adults with disabilities, and immigrants.

Connecticut uses State TANF MOE funds that have not been commingled with Federal funds (i.e., segregated State TANF funds) to provide TANF benefits to qualified legal aliens who otherwise would be ineligible for federally-funded TANF benefits. Program benefits are identical to those received through the TANF program -- including the receipt of cash assistance. Connecticut also uses segregated State TANF funds to provide medical assistance benefits to qualified legal aliens who are ineligible for Medicaid.

Minnesota uses TANF funding for the Southeast Asian Minnesota Family Investment Program (MFIP) Services Collaborative. The State has used a one-time allocation of TANF funds to replicate an intensive transitional employment-training project for MFIP refugees and immigrant recipient families.

Several States, including Indiana, West Virginia and Wisconsin, have separate State-funded programs. Indiana pays for the costs of medical services not otherwise paid by Medicaid. West Virginia has a State-funded cash assistance program for parents who wish to attend postsecondary education activities without using their time limit, and Wisconsin provides up to five months of safety services to families referred by the assessment units of the child welfare system in Milwaukee County.

Beyond these trends, there are a number of additional themes regarding State policy choices that were identified in last year's analysis of State plans.

First, as envisioned in the statute, there is considerable variety in the States' choices about policies such as time limits, sanctions, diversion, and policies for families who face specific barriers to work. There is also considerable program diversity within some States. Thus, there is no single, typical program.

Second, States' choices regarding expanded eligibility requirements for their TANF programs may have some unanticipated consequences. For example, many States have expanded eligibility for two-parent families and increased income disregards, assets, and resource limits. Such policies may increase the number of families reaching their lifetime time limits.

Third, States' choices about TANF policy and implementation can affect families' likelihood to draw other benefits for which they may be eligible (such as Medicaid and food stamps), sometimes in unintended ways.

In addition, it is clear that caseload statistics alone do not accurately describe the number of families who are receiving benefits and services through the TANF block grant. In all States, families who receive services but do not receive cash benefits are increasing significantly, even as the number of "assistance" recipients has generally continued to decline.

State plan amendments are another important source of information about adjustments in State eligibility requirements, either to broaden or limit eligibility. Examples of plan amendments and policy changes adopted by the States since late 1999 are listed below.

- Arizona deems a portion of the income of a stepparent who lives with the parent of a dependent child and who does not receive cash assistance or SSI available to the assistance unit.
- Effective January 2001, Iowa eliminated the requirement that when both parents are in the home, at least one parent must meet incapacity or unemployed parent criteria in order to be eligible for the Family Investment Program. Any sibling of the dependent child (of whole or half-blood, or adoptive) who meets age/school attendance requirements and, until January 2001, deprivation requirements, must be included in the eligible group if living together and meeting non-financial eligibility criteria of the program.
- Idaho removed the 12-month restriction on receiving TANF one-time cash payments, emergency assistance, or at-risk services, as well as the restriction on receiving food stamps, employment and training services, and at-risk services for the same month.

Supportive Services

Since the inception of welfare reform, a variety of organizations have been staying abreast of the many support services that States have been providing to help welfare recipients move from welfare to work. The information provided below is a sample of some of the programs that organizations have identified.

States are spending an increasing proportion of TANF funding on supportive services, needed for families to transition from welfare to work and to retain their employment and to develop the skills they will need to increase their wages. States have recognized the importance of meeting these needs and have developed a wide range of support and employment-related services, including:

- domestic violence/substance abuse/mental health counseling, transportation, child care, health care, housing, employment/retention/career advancement services, and postsecondary education/apprenticeship training.

To develop these programs State TANF agencies have formed collaboratives with other agencies, developed State-only programs, and combined TANF funding with other Federal funding sources. Below are some of the recent developments at the State level.

Domestic Violence

Most States have adopted the family violence option in TANF that allows States to exempt individuals from certain requirements when compliance would make it difficult for victims to escape violent situations or otherwise unfairly penalize them. Nearly all States have developed programs to help domestic violence victims.

In Connecticut, The Women's Center of South East Connecticut, a transitional women's program in New London, has created an innovative domestic violence education and screening program designed to help battered women. The Hairdresser Project trains hairdressers about domestic violence, sexual assault, and sexual harassment, teaches them to recognize signs of physical abuse, and advises them on how to discuss domestic violence with clients who are suspected victims.

Barriers to Employment

Clients face a variety of serious barriers to employment, including substance abuse problems; criminal records; domestic violence; physical, mental, developmental or learning disabilities; and chronic health problems. To address these needs, States have developed several programs.

- The Project Early Intervention Program in Tarrant County, Texas, provides intensive case management to low-income families who have not been formally certified for TANF. Nine local government and community organization partners provide employment assistance, substance abuse treatment, assessment for learning disabilities, adult education classes/GED preparation, and related services. The program is partly funded with TANF in FY 2000 and FY 2001 as one of the State and local welfare innovation projects.
- The Missouri Department of Social Services (DoSS) and the Department of Mental Health (DMH) collaborated on the development of a pilot project to identify welfare recipients with substance abuse and mental health problems and link them to treatment services. The project is designed to increase the skills of DoSS staff in identifying these problems and referring recipients to treatment services offered through DMH's provider network and Missouri's health insurance program providers. Key aspects of the project are the cross-training of staff and the development of referral protocols.

Transportation

Although funding for transit programs is critical, the strategies used to address transportation challenges are equally important. For example, transit agencies can increase the supply of transportation. Welfare agencies can develop solutions that explicitly connect clients to employment opportunities, and multiple agencies can coordinate to provide or enhance transportation services. In some ways, service coordination is the most difficult strategy, because it requires cooperation among agencies that traditionally do not work together. Yet service coordination may be the most cost-effective strategy. DHHS and the U. S. Department of Transportation's (DOT) Federal Transit Administration (FTA) developed guidance that explains how States may use DOT funds and DHHS funds, independently or collaboratively, to support transit services for needy families.

The Delaware Division of Social Services and the Delaware Departments of Transportation, Labor, and Economic Development collaborated to develop and implement transportation services. These services include Career Directions, an interactive mapping site that provides information about Delaware's employers, licensed child care facilities, public transportation, adult training sites, and public and private schools. They also include: off-hour transportation services, transitional transportation services in areas not served by public transit, van pools operated by Delaware Housing Authority sites in rural areas, Cars for Careers (a vehicle ownership program in rural areas); a Night Owl service, and reverse commuting routes to suburban industrial sites. Delaware funds these services with TANF block grant funds, Job Access funds, and State funds.

Similarly, Kentucky's Human Service Transportation Delivery Network is a collaborative effort between the State and 15 regional transportation brokers that involves workforce development boards, employers, and private transportation providers. The initiative combines the resources of government agencies and public- and private-sector providers and provides accessible, cost-effective transportation in all areas of the State for TANF and Medicaid recipients. Its results include: simplified trip scheduling, safer, more reliable vehicles, and drivers trained in passenger assistance for the State's 16 local service regions.

Child Care

With the increase of parents in the workforce, States have had to design child care programs according to client need, which may include infant care, before- and after-school care, second and third shift care, along with standard day care. In addition, programs include various types of care, such as family child care homes, child care centers, relatives, friends, or other informal child care providers.

San Diego, California, has expanded its "6-to-6" before- and after-school program from 21 schools to serve 25,000 children in all 196 elementary and secondary schools. Program funding comes from local, State, and Federal government sources, with the majority of funding coming from California's After School Learning and Safe Neighborhood Partnership Program.

In Massachusetts, the Office of Child Care Services contracts for subsidized child care services directly with center-based and home-based child care providers. The providers also perform initial intake and determine eligibility for subsidies. This arrangement is easier for parents because they can apply for and receive services at the same location. The providers maintain waiting lists for eligible families and refer families to other services and sources of child care information, when necessary.

Housing/Homelessness

In California, the San Mateo Housing Opportunities Program (HOP), a component of the Self-Sufficiency Program, provides rental subsidies in the form of housing scholarships to families. The one-year program pays 60 percent of the total rent for the first six months and 30 percent for the remaining six months. Eligible families must be employed and include: (1) those who are receiving, are eligible for, or have recently left TANF, (2) those enrolled in education or job training and who have completed 75% of their jobs skills education, or (3) those who have a well-

constructed plan of education and career development that will enable them to achieve self-reliance. Families are also connected with mentors.

In 1999, the Maryland State legislature increased an existing State-funded rental assistance program (RAP) by \$500,000 and expanded eligibility to better serve current and former TANF recipients. The new funding, “RAP to Work Initiative,” is counted as State Maintenance of Effort (MOE). It operates in 16 of 23 counties and pays a maximum rental subsidy of \$250 per month for 12 months (plus a possible 6-month extension). Recipients must have been a TANF recipient within the prior 12 months and have income at or below 30percent of the area median income.

Job Retention and Career Advancement Services

If welfare recipients are to make their way out of poverty, they must develop better employment histories, as well as increase the quality of their jobs over time—through higher wages, better benefit packages, and greater job security.

The Virginia Department of Social Services has been building innovative employment and training partnerships with business and industry to promote job retention and career advancement for Virginia Initiative for Employment not Welfare (VIEW) participants. The business and industry partnerships provide career advancement and increased earnings for clients in work activities and provide employment opportunities with career paths for those with significant barriers. The Department of Social Services acts as a single point of contact for employers at the State level to facilitate the development of employment and training partnerships. The State has also developed marketing tools to help inform and sell employers on its services. With a low unemployment rate and other positive economic conditions in the State, many employers have been eager to participate in the State’s business development and welfare-to-work initiatives.

Postsecondary Education/ Apprenticeship Training

Postsecondary degrees, certification achieved through enrollment in a community college, apprenticeship programs, and four-year programs enable individuals to obtain the advanced education that is often necessary for better paying jobs.

Detroit’s Focus HOPE emphasizes workforce development for well-paying jobs, and it has prepared youth and adults for careers as machinists, engineers, and information technology specialists. Tuition support or supplements are available for those who cannot afford the training. The programs are open to high school graduates or adults who have obtained a GED and meet specific educational requirements. If individuals lack the basic skills required to enter the vocational training programs, enrollees participate in a remedial program.

Some States, such as Illinois and Kentucky, allow TANF participants to attend classes for a limited time without additional work obligations, provided they meet specified requirements.

The chapter that follows provides a more detailed State-by-State description of many of the key components of State TANF plans, and of some of the policies and services that the States are adopting to serve low-income families and children. The variety of programs and services

provided under the current plan provisions will continue to grow as States and communities respond to the ever-changing needs of low-income families and children.